

ASA HUTCHINSON
GOVERNOR

B. EDMOND WATERS
COMMISSIONER



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ARKANSAS SECURITIES DEPARTMENT

VIA REGULAR U.S. MAIL

March 18, 2020

Benjamin Weiss
GPD Holdings, LLC dba CoinFlip
4957 Oakton Street
Skokie, IL 60077

Karyn H. Tierney
Arkansas Bar No. 2003120
karyn.tierney@arkansas.gov

RE: GPD Holdings, LLC dba CoinFlip
20-NA-0002

Dear Mr. Weiss:

The Arkansas Securities Department ("Department") is in receipt of your letter dated January 2, 2020, and subsequent information provided thereafter, requesting that the Department issue a no-action letter concerning GPD Holdings, LLC dba CoinFlip's ("CoinFlip") claim of exemption from the licensing requirements of the Arkansas Uniform Money Services Act ("UMSA") as codified at Ark. Code Ann. § 23-55-101 through 1006. A copy of the request letter is attached for reference.

Based upon the specific facts contained in your request the Staff will not recommend that the Arkansas Securities Commissioner take an enforcement against CoinFlip if it does not obtain a license from the Department prior to engaging in the activities detailed in your request letter.

Please note that the position of the Staff of the Department is based solely upon the representations made in your request letter and information provided and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response or opinion from the Staff of the Department. The position of the Staff of the Department expressed in this letter only deals with anticipated enforcement action by the Department. Further, the position of the Staff of the Department does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karyn H. Tierney", written over the typed name and title.

Karyn H. Tierney
Arkansas Securities Department



GPD Holdings LLC
4957 Oakton St #263
Skokie, IL 60077

January 2nd, 2020

Dear Ms. Tierney,

GPD Holdings LLC dba CoinFlip is a FINCEN-registered Money Service Business that currently operates 415 Bitcoin terminals across 31 states. CoinFlip requests the Department issue a no action letter stating that CoinFlip does not need a license under Arkansas Uniform Money Services Act because:

- 1.)CoinFlip sells its own supply of cryptocurrency, does not act as a middleman between the customer and the exchange, and does not promise to make cryptocurrency available at a later date.
- 2.)CoinFlip's transactions occur directly between CoinFlip and a customer, with no third parties involved. CoinFlip has complete control over the transactions and is never receiving currency, monetary value, or payment instruments for the purpose of transmitting the same.
- 3.)CoinFlip does not hold customer funds, nor is CoinFlip a custodian.
- 4.)As of Jan 2nd, 2020, no state has found that CoinFlip's to be a money transmitter.

Furthermore, below is CoinFlip's Flow of funds and business model.

1. CoinFlip purchases cryptocurrency from its liquidity providers with United States Currency via wire transfer. The cryptocurrency is moved to CoinFlip's wallet, which is connected to all its terminals.
2. Customers insert United States Currency into terminals and immediately receive cryptocurrency owned by and from the wallet of CoinFlip.
3. Armored Couriers service the terminals and transport the United States Currency to the banks of CoinFlip.
4. CoinFlip uses the United States Currency to purchase more cryptocurrency via wire transfer, as described in step one.

CoinFlip appreciates your attention to this matter, and wishes you a healthy and happy New Year.

Yours Truly,

Benjamin Z Weiss

A handwritten signature in black ink, appearing to read "Ben Z Weiss", written over a horizontal line.